

EXHIBIT 49

<p>UNITED STATES BANKRUPTCY COURT SOUTHERN DISTRICT OF NEW YORK -----X In Re: LEHMAN BROTHERS HOLDINGS INC., et al., Debtors. Chapter 11 CASE NO.: 08-13555(JMP) (Jointly Administered) -----X</p> <p>767 Fifth Avenue New York, New York June 25, 2013 9:29 a.m.</p> <p>VIDEOTAPED DEPOSITION of RICHARD KRASNOW, before Melissa Gilmore, a Notary Public of the State of New York.</p> <p>ELLEN GRAUER COURT REPORTING CO. LLC 126 East 56th Street, Fifth Floor New York, New York 10022 212-750-6434 REF: 104143</p> <p>Page 1</p>	<p>1 APPEARANCES: (Cont'd) 2 3 WEIL, GOTSHAL & MANGES LLP 4 Attorneys for Lehman Brothers Holdings Inc. and 5 the Witness 6 767 Fifth Avenue 7 New York, New York 10153 8 BY: ARIELLE GORDON, ESQ. 9 PHONE 212-310-8000 10 FAX 212-310-8007 11 E-MAIL arielle.gordon@weil.com 12 13 14 ALSO PRESENT: 15 ALEX GRODEN, Summer Associates, Sullivan & 16 Cromwell 17 DAN MACOM, Videographer 18 19 20 21 22 23 24 25</p> <p>Page 3</p>
<p>1 APPEARANCES: 2 3 SULLIVAN & CROMWELL LLP 4 Attorneys for Canary Wharf Management, Heron 5 Quays (HQ2) T1 Limited and Heron Quays (HQ2) T2 6 Limited 7 125 Broad Street 8 New York, New York 10004-2498 9 BY: DAVID B. TULCHIN, ESQ. 10 JOHN GARRETT McCARTHY, ESQ. 11 PHONE 212-558-3749 12 FAX 212-291-9158 13 E-MAIL tulchind@sullerom.com 14 15 16 WEIL, GOTSHAL & MANGES LLP 17 Attorneys for Lehman Brothers Holdings Inc. and 18 the Witness 19 1300 Eye Street NW, Suite 900 20 Washington, DC 20005-3314 21 BY: PETER D. ISAKOFF, ESQ. 22 PHONE 202-682-7155 23 FAX 202-857-0940 24 E-MAIL peter.isakoff@weil.com 25</p> <p>Page 2</p>	<p>1 ----- INDEX ----- 2 WITNESS EXAMINATION BY PAGE 3 RICHARD KRASNOW MR. TULCHIN 10, 187 4 MR. ISAKOFF 180 5 6 DIRECTIONS: PAGES 36, 80, 81, 112 7 MOTIONS: PAGES 177, 180, 187 8 9 ----- EXHIBITS ----- 10 KRASNOW DESCRIPTION FOR I.D. 11 Exhibit 57 Summary Sheet Pursuant to 15 12 United States Trustee 13 Guidelines for Reviewing 14 Applications for 15 Compensation and 16 Reimbursement of 17 Expenses, Filed Under 11 18 U.S.C Sections 330 and 19 331 20 Exhibit 58 December 2012 18 21 Post-Effective Operating 22 Report 23 Exhibit 59 Notice of Deposition of 28 24 Lehman Brothers Holdings 25 Inc.</p> <p>Page 4</p>

1 KRASNOW
2 both?
3 A. **Certainly hard copy.**
4 Q. And did that include Schedule 4 to
5 the lease?
6 A. **Yes.**
7 Q. Were any others lawyers at Weil
8 Gotshal in 2010 involved in preparing or
9 revising the proposed stipulation that was
10 under discussion with Canary Wharf?
11 A. **I'm sorry, could you -- in London**
12 **did you say?**
13 Q. No. No, I didn't confine to that.
14 A. **Could you repeat the question?**
15 MR. TULCHIN: Melissa, would you
16 read it back for us, please?
17 (Record read.)
18 A. **Yes.**
19 Q. Can you tell me who they were, sir?
20 A. **Erika del Nido. I believe she may**
21 **have been the only one.**
22 Q. Was Ms. Delido --
23 A. **del Nido.**
24 Q. Excuse me?
25 A. **del Nido. del Nido, D-E-L**

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1 KRASNOW
2 **N-I-D-O, separate word.**
3 Q. I know I have seen her name, and I
4 butchered it. Apologies.
5 Was Ms. del Nido in the New York
6 office at the time?
7 A. **Yes.**
8 Q. Did you consult with her in any way
9 in preparation for your deposition?
10 A. **No.**
11 Q. Is she still working at Weil
12 Gotshal?
13 A. **Yes.**
14 Q. And is she in the New York office?
15 A. **Yes.**
16 Q. Am I correct that in 2010 you became
17 aware, Mr. Krasnow, that Canary Wharf was
18 intending to enter into a transaction which
19 would mitigate its losses pertaining to 25 Bank
20 Street?
21 MR. ISAKOFF: Object to the form.
22 A. **I can't speak to Canary Wharf's**
23 **intent. I can say that, as a result and solely**
24 **as a result of press reports, we became aware**
25 **that there was a potential transaction -- we**

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1 KRASNOW
2 **first became aware that there was a potential**
3 **transaction.**
4 Q. Do you remember when that was?
5 A. **It was the end of November of 2010**
6 **when there was an article in an English paper.**
7 **It may have been the Financial Times that we**
8 **became aware of, so whatever the date of that**
9 **article was.**
10 MR. TULCHIN: Melissa, could you
11 please mark, as Krasnow Exhibit 61, a
12 one-page document, Friday, 17
13 September 2010, The Independent.
14 (Krasnow Exhibit 61, Article from
15 The Independent, Friday, 17 September
16 2010, marked for identification.)
17 A. **(Perusing.)**
18 Q. Have you had a chance to look at
19 Exhibit 61, sir?
20 A. **I will. (Perusing.)**
21 **I read it.**
22 Q. Thank you. This is an article from
23 a newspaper in England, correct?
24 MR. ISAKOFF: Object to form.
25 A. **I can't speak to that.**

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1 KRASNOW
2 Q. All right. Do you recall ever
3 seeing this before?
4 A. **No.**
5 Q. Do you recall learning in
6 September 2010, let's say on or around
7 September 17, 2010, that there were press
8 reports that JPMorgan was prepared to move into
9 the Lehman Brothers old skyscraper in the
10 Docklands financial district?
11 MR. ISAKOFF: Object to form.
12 A. **No.**
13 Q. Does this refresh your recollection
14 at all, Mr. Krasnow, that there were press
15 reports, even as September, that JPMorgan might
16 want to occupy 25 Bank Street?
17 MR. ISAKOFF: Object to form.
18 A. **No.**
19 Q. Did you become aware of strong
20 market rumors in September that Canary Wharf
21 was working on a deal to lease or sell 25 Bank
22 Street?
23 MR. ISAKOFF: Object to form.
24 A. **I -- the answer is no, and I don't**
25 **think, at least as I read a portion of this**

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<p>1 KRASNOW</p> <p>2 very similar?</p> <p>3 MR. ISAKOFF: Same objection.</p> <p>4 A. Similar but different. I'm not sure</p> <p>5 how to answer the question.</p> <p>6 Q. Okay. Substantively, are they</p> <p>7 pretty much the same? You have added some</p> <p>8 words about affiliates and so on, but --</p> <p>9 MR. ISAKOFF: Object to form.</p> <p>10 A. That's a substantive change.</p> <p>11 Q. Other than that, is the substance</p> <p>12 pretty much the same?</p> <p>13 MR. ISAKOFF: Object to form.</p> <p>14 A. Other than the changes which are</p> <p>15 blacklined, the substance is the same.</p> <p>16 Q. Okay. In the fourth line of your</p> <p>17 e-mail on the first page of Exhibit 66, you</p> <p>18 say, "Please note that we are providing our</p> <p>19 client and committee counsel with this latest</p> <p>20 draft."</p> <p>21 Do you see that?</p> <p>22 A. Yes.</p> <p>23 Q. To whom were you referring when you</p> <p>24 referred to "our client"? Was that</p> <p>25 Mr. Ehrmann?</p> <p>Page 89</p>	<p>1 KRASNOW</p> <p>2 correct?</p> <p>3 A. Yes.</p> <p>4 Q. And is this the Financial Times</p> <p>5 article that you referred to earlier this</p> <p>6 morning?</p> <p>7 A. Yes.</p> <p>8 Q. How did you obtain that article?</p> <p>9 A. I believe it was -- I recall it was</p> <p>10 provided to us by our London colleagues.</p> <p>11 Q. That is lawyers at Weil Gotshal in</p> <p>12 London?</p> <p>13 A. Yes, that's correct.</p> <p>14 Q. Am I right, sir, that prior to</p> <p>15 November 24, 2010, you certainly were aware</p> <p>16 that Canary Wharf was in discussions to do a</p> <p>17 deal at 25 Bank Street?</p> <p>18 MR. ISAKOFF: Object to form.</p> <p>19 A. I would take issue with the word</p> <p>20 "discussions."</p> <p>21 Q. Well, Ms. DeMarco had told you --</p> <p>22 MR. ISAKOFF: I don't think he had</p> <p>23 finished his answer.</p> <p>24 Q. Had you finished your answer, sir?</p> <p>25 A. I was about to say, I had been</p> <p>Page 91</p>
<p>1 KRASNOW</p> <p>2 A. I don't recall whether it was</p> <p>3 Mr. Ehrmann. It might have included him. It</p> <p>4 certainly would have included Ms. Cash.</p> <p>5 Q. And how about committee counsel, to</p> <p>6 whom were you referring there?</p> <p>7 A. Who specifically?</p> <p>8 Q. Yes.</p> <p>9 A. It would have been Dennis O'Donnell,</p> <p>10 at the Milbank Tweed firm.</p> <p>11 MR. TULCHIN: Can we please mark, as</p> <p>12 Exhibit 67, Krasnow 67, a document, the</p> <p>13 first page of which is November 24, 2010,</p> <p>14 production numbers LBHI_CW6436 through</p> <p>15 6439.</p> <p>16 (Krasnow Exhibit 67, Document,</p> <p>17 Production Numbers LBHI_CW6436 through</p> <p>18 6439, marked for identification.)</p> <p>19 A. (Perusing.) Yes.</p> <p>20 Q. Now, Mr. Krasnow, you wrote the</p> <p>21 e-mail that's on the first page of Exhibit 67;</p> <p>22 is that right?</p> <p>23 A. Yes.</p> <p>24 Q. And you did so in the ordinary</p> <p>25 course of your business at Weil Gotshal,</p> <p>Page 90</p>	<p>1 KRASNOW</p> <p>2 apprised by Ms. DeMarco that they were</p> <p>3 exploring that. At no point did she, or anyone</p> <p>4 on behalf of Canary Wharf, advise me that they</p> <p>5 were engaged in discussions or negotiations</p> <p>6 with any third party.</p> <p>7 Q. Did she tell you that there was</p> <p>8 consideration being given to entering into a</p> <p>9 999-year lease?</p> <p>10 A. Consideration as a possibility?</p> <p>11 Yes, or words to that effect.</p> <p>12 Q. Did she affirmatively say that there</p> <p>13 had been no discussions with any third party</p> <p>14 about entering into such a lease?</p> <p>15 A. No.</p> <p>16 Q. I'm sorry. Did you answer?</p> <p>17 A. Yes, I did. I said no.</p> <p>18 THE WITNESS: I would like to take a</p> <p>19 break shortly.</p> <p>20 MR. ISAKOFF: Why don't we take one</p> <p>21 now?</p> <p>22 MR. TULCHIN: Whenever you like.</p> <p>23 THE VIDEOGRAPHER: We are now off</p> <p>24 the record. The time is 11:34 a.m.,</p> <p>25 June 25, 2013.</p> <p>Page 92</p>

<p>1 KRASNOW</p> <p>2 for itself.</p> <p>3 Q. Looking at it now, in 2013, is there</p> <p>4 anything in the words that are present that you</p> <p>5 would interpret or understand to be on the</p> <p>6 subject of whether or not LBHI wanted a new</p> <p>7 lease?</p> <p>8 A. The only response to that is we did</p> <p>9 not believe that a condition of getting the</p> <p>10 documents we require should be a response to</p> <p>11 that question.</p> <p>12 Q. Did you have a meeting with lawyers</p> <p>13 from Sullivan & Cromwell on or about</p> <p>14 December 6, 2010?</p> <p>15 A. Yes.</p> <p>16 Q. Did you take any notes at that</p> <p>17 meeting?</p> <p>18 A. I don't believe I did.</p> <p>19 Q. Do you recall who else was present</p> <p>20 at the meeting?</p> <p>21 A. Besides myself?</p> <p>22 Q. Yes, sir.</p> <p>23 A. Mr. Dietderich was there from</p> <p>24 Sullivan & Cromwell. There may have been</p> <p>25 another attorney from Sullivan who attended.</p> <p>Page 137</p>	<p>1 KRASNOW</p> <p>2 finished.</p> <p>3 Do you remember how long the meeting</p> <p>4 took?</p> <p>5 A. No.</p> <p>6 Q. What's your best recollection of</p> <p>7 what was said to you at that meeting and what</p> <p>8 you said?</p> <p>9 A. I believe I tried to understand why</p> <p>10 we were meeting with Sullivan & Cromwell, and</p> <p>11 I'm not sure whether that conversation occurred</p> <p>12 at that meeting or prior to that meeting</p> <p>13 perhaps with Mr. Dietderich. It's kind of both</p> <p>14 gelled somewhat in my mind.</p> <p>15 The meeting clearly was in response</p> <p>16 to our request to find out what was going on</p> <p>17 with respect to JPM. I seem to remember</p> <p>18 Mr. Dietderich indicating that JPM was very</p> <p>19 concerned about there being any disclosure as</p> <p>20 to their actually being involved in a</p> <p>21 transaction, that it was them, notwithstanding</p> <p>22 the articles in the press.</p> <p>23 I remember that there was a</p> <p>24 discussion about the need for a confidentiality</p> <p>25 agreement before we would be provided with a</p> <p>Page 139</p>
<p>1 KRASNOW</p> <p>2 There was somebody from Canary Wharf, or the</p> <p>3 parent of Canary Wharf, but someone who was</p> <p>4 there represented themselves as being there on</p> <p>5 behalf of Canary Wharf. I don't recall their</p> <p>6 name. And Erika del Nido.</p> <p>7 Q. To your knowledge, did Ms. del Nido</p> <p>8 take any notes of what was said at that</p> <p>9 meeting?</p> <p>10 A. I don't recall.</p> <p>11 Q. In preparing for your deposition</p> <p>12 here today, both your deposition as a 30(b)(6)</p> <p>13 witness and your personal deposition, did you</p> <p>14 come across any notes that were taken of the</p> <p>15 December 6 meeting?</p> <p>16 A. No, I don't recall seeing any.</p> <p>17 Q. Where was the meeting held?</p> <p>18 A. At our offices.</p> <p>19 Q. Was it on the 25th floor here at --</p> <p>20 A. Yes.</p> <p>21 Q. -- the General Motors Building?</p> <p>22 MR. ISAKOFF: Wait until he is</p> <p>23 finished.</p> <p>24 A. Yes.</p> <p>25 Q. Sorry, you may have thought I was</p> <p>Page 138</p>	<p>1 KRASNOW</p> <p>2 copy of the lease.</p> <p>3 I certainly remember discussing with</p> <p>4 them the importance of our finding out about</p> <p>5 the transaction, and it's my recollection that</p> <p>6 Mr. Dietderich indicated a desire that they</p> <p>7 know whether or not we would take the lease in</p> <p>8 the context of JPM doing the transaction with</p> <p>9 Canary Wharf, and that somehow after that</p> <p>10 occurred we would have the ability and exercise</p> <p>11 that ability to then try to take the lease.</p> <p>12 Something that didn't quite make a</p> <p>13 lot of sense to me, but that was the context,</p> <p>14 as I recall, that Mr. Dietderich explained why</p> <p>15 they wanted to know if we would be interested</p> <p>16 in the leasehold premises, assuming we had the</p> <p>17 ability to do that.</p> <p>18 I don't recall exactly how the</p> <p>19 meeting ended, other than I guess there was</p> <p>20 discussion about the confidentiality agreement.</p> <p>21 Q. Anything else you recall?</p> <p>22 A. My reaction was that they were very</p> <p>23 anxious to proceed with the JPM transaction.</p> <p>24 There may have been some discussion, I don't</p> <p>25 recall specifically, with respect to our</p> <p>Page 140</p>

<p>1 KRASNOW</p> <p>2 is this:</p> <p>3 Did you prepare and send that e-mail</p> <p>4 in the ordinary course of your business at Weil</p> <p>5 Gotshal?</p> <p>6 A. Yes.</p> <p>7 Q. And you sent it to Mr. Dietderich</p> <p>8 and other people as indicated on December 8 of</p> <p>9 2010; is that correct?</p> <p>10 A. That's what the e-mail reflects.</p> <p>11 Q. Okay. Now, your e-mail says, and</p> <p>12 I'm going to read a large portion of it,</p> <p>13 forgive the time that it will take, "Your</p> <p>14 statement regarding the reason for the request</p> <p>15 is inaccurate. We found out about a potential</p> <p>16 transaction as a result of press reports. We</p> <p>17 then contacted Clifford Chance about that</p> <p>18 transaction and advised that we needed to know</p> <p>19 the specifics of any transaction in order to</p> <p>20 evaluate the proposed settlement and CW's</p> <p>21 asserted claims. That's it. LBHI is not</p> <p>22 seeking that information in order to evaluate</p> <p>23 whether or not to assume or enter into a</p> <p>24 lease."</p> <p>25 Now, was all of that correct and</p> <p>Page 157</p>	<p>1 KRASNOW</p> <p>2 THE WITNESS: Yeah, yeah.</p> <p>3 Q. Let me try it again.</p> <p>4 A. Yes.</p> <p>5 Q. I wasn't asking you with respect to</p> <p>6 the e-mail.</p> <p>7 A. Okay.</p> <p>8 Q. I'm going to try to ask you the same</p> <p>9 question. It might be slightly different</p> <p>10 because I don't remember it exactly.</p> <p>11 Is it not correct that on around</p> <p>12 December 6 and December 8 of 2010, you were</p> <p>13 communicating to Mr. Dietderich that LBHI was</p> <p>14 not interested in taking a lease for 25 Bank</p> <p>15 Street?</p> <p>16 MR. ISAKOFF: Object to form.</p> <p>17 A. I don't recall. I think you have</p> <p>18 asked this question before. I don't recall</p> <p>19 having that specific discussion, and I don't</p> <p>20 believe that, at that point in time, in any</p> <p>21 event, LBHI had the ability to take the lease.</p> <p>22 Q. And why was that, sir?</p> <p>23 A. Because we didn't have a call on the</p> <p>24 lease. We didn't have the ability to demand</p> <p>25 that we would take a lease.</p> <p>Page 159</p>
<p>1 KRASNOW</p> <p>2 accurate at the time you sent this e-mail to</p> <p>3 Mr. Dietderich?</p> <p>4 A. Yes.</p> <p>5 Q. And when you wrote that LBHI "is not</p> <p>6 seeking that information in order to evaluate</p> <p>7 whether or not to assume or enter into a</p> <p>8 lease," that was consistent with what you had</p> <p>9 said to Mr. Dietderich on December 6, right?</p> <p>10 MR. ISAKOFF: Object to form.</p> <p>11 A. The reason why we wanted to see the</p> <p>12 lease? I don't specifically recall, but I</p> <p>13 think that's generally correct.</p> <p>14 Q. And was it not true, Mr. Krasnow,</p> <p>15 that you were communicating to Mr. Dietderich</p> <p>16 on December 6 and December 8 that LBHI was not</p> <p>17 interested in taking a lease for 25 Bank</p> <p>18 Street?</p> <p>19 MR. ISAKOFF: Object to the form.</p> <p>20 A. That's not what the e-mail says.</p> <p>21 Q. I didn't ask you whether it says</p> <p>22 that. I asked you a different question. So if</p> <p>23 we could just go back.</p> <p>24 A. Okay. Then --</p> <p>25 MR. ISAKOFF: Wait until he asks.</p> <p>Page 158</p>	<p>1 KRASNOW</p> <p>2 Q. Had you ever heard anyone at Alvarez</p> <p>3 & Marsal, up until December 9, 2010, indicate</p> <p>4 that LBHI might be interested in taking office</p> <p>5 space in London?</p> <p>6 MR. ISAKOFF: I guess that's a yes</p> <p>7 or no question. It certainly calls for</p> <p>8 privileged information, and I think you</p> <p>9 asked it besides.</p> <p>10 A. That question was asked of me, I</p> <p>11 believe, before the lunch break, 12 different</p> <p>12 ways.</p> <p>13 Q. What was your answer?</p> <p>14 A. I suggest you check the transcript.</p> <p>15 Q. Well, if you don't mind, let me just</p> <p>16 ask this question. I hope it's not overly</p> <p>17 repetitive.</p> <p>18 Up until December 9, 2010, had you</p> <p>19 ever heard anyone at Alvarez & Marsal indicate</p> <p>20 that LBHI might want to take a lease on office</p> <p>21 space in London?</p> <p>22 MR. ISAKOFF: Object to form.</p> <p>23 Go ahead.</p> <p>24 A. I don't recall any discussion.</p> <p>25 Q. Mr. Krasnow, if you look at the</p> <p>Page 160</p>

<p>1 KRASNOW</p> <p>2 MR. TULCHIN: Objection, leading.</p> <p>3 MR. ISAKOFF: She didn't hear the</p> <p>4 answer. I will withdraw the question in</p> <p>5 light of the objection.</p> <p>6 Q. What, if any, information does LBHI</p> <p>7 have at this juncture available to it with</p> <p>8 respect to topics one, two and eight, beyond</p> <p>9 the documents that have been produced by the</p> <p>10 parties in this case?</p> <p>11 MR. TULCHIN: Same objection.</p> <p>12 A. It's my understanding that there is</p> <p>13 no information beyond that which is contained</p> <p>14 in the documents you referred to, Mr. Isakoff.</p> <p>15 Q. Now, I believe -- do you have</p> <p>16 Exhibit 76 in front of you? That's the</p> <p>17 December 22 e-mail to Mr. Dietderich.</p> <p>18 A. What was the number again?</p> <p>19 Q. 76.</p> <p>20 A. I want to keep these in order.</p> <p>21 I have that document in front of me.</p> <p>22 Q. Let me get it in front of me.</p> <p>23 Turning your attention to the carryover</p> <p>24 paragraph from the third page of this document</p> <p>25 to the fourth, I believe Mr. Tulchin asked you</p> <p>Page 173</p>	<p>1 KRASNOW</p> <p>2 anything, does Exhibit 13 -- strike that.</p> <p>3 When, for the first time, do you</p> <p>4 recall, now that you have seen Exhibit 13, do</p> <p>5 you recall telling Mr. Dietderich, or any other</p> <p>6 representative of Canary Wharf, that LBHI might</p> <p>7 be unwilling to proceed with the settlement on</p> <p>8 the terms previously discussed?</p> <p>9 MR. TULCHIN: Same objection.</p> <p>10 A. This does refresh my recollection</p> <p>11 that we advised Mr. Dietderich, prior to my</p> <p>12 e-mail of December 22 and on or about</p> <p>13 December 10, that there was -- there were</p> <p>14 questions that were being raised as to whether</p> <p>15 or not we would be in a position to pursue the</p> <p>16 settlement that had previously been discussed.</p> <p>17 Q. Now, at one point you said in your</p> <p>18 direct testimony under Mr. Tulchin's</p> <p>19 examination with respect to Mr. Dietderich's</p> <p>20 asking you concerning LBHI's interest in taking</p> <p>21 a new lease, that LBHI had no call on such a</p> <p>22 lease.</p> <p>23 Do you recall giving that testimony?</p> <p>24 A. Yes, I do.</p> <p>25 Q. What, if anything, did you mean by</p> <p>Page 175</p>
<p>1 KRASNOW</p> <p>2 whether this was the first time that you</p> <p>3 indicated to any representative of Canary Wharf</p> <p>4 that LBHI might be unwilling to proceed with</p> <p>5 the settlement that had previously been the</p> <p>6 subject of discussions in October and November.</p> <p>7 Do you recall that?</p> <p>8 A. Yes.</p> <p>9 Q. I would like to show you what's been</p> <p>10 previously marked in this proceeding as</p> <p>11 Exhibit 13. And I would just like to turn your</p> <p>12 attention to the first e-mail that appears on</p> <p>13 the first page of this exhibit, which you sent</p> <p>14 to Mr. Dietderich on Feb- -- I'm sorry,</p> <p>15 December 10, 2010.</p> <p>16 Do you see that?</p> <p>17 A. Yes, I do.</p> <p>18 Q. Okay. Does this refresh your</p> <p>19 recollection that, in fact, you had indicated</p> <p>20 to Mr. Dietderich that LBHI might well be</p> <p>21 unwilling to proceed with the previously</p> <p>22 discussed terms well before December 22?</p> <p>23 A. Yes.</p> <p>24 MR. TULCHIN: Objection, leading.</p> <p>25 Q. What, if anything -- what, if</p> <p>Page 174</p>	<p>1 KRASNOW</p> <p>2 that?</p> <p>3 A. It was and is my understanding that</p> <p>4 LBHI had no legal entitlement to demand that</p> <p>5 Canary Wharf enter into a new lease or</p> <p>6 replacement lease with it with respect to the</p> <p>7 premises at 25 Bank Street, that that was not</p> <p>8 consistent with the structure of the</p> <p>9 transaction or the structure of the guarantee,</p> <p>10 as set forth in Schedule 4 -- 4 of the Canary</p> <p>11 Wharf lease.</p> <p>12 Q. Is there -- to your recollection --</p> <p>13 well, what, if any, recollection do you have</p> <p>14 with respect to whether LBHI had any right</p> <p>15 to -- had any obligation to take on a new lease</p> <p>16 in the absence of a written notice following</p> <p>17 forfeiture or some other event like that?</p> <p>18 MR. TULCHIN: Objection, leading,</p> <p>19 and also as to form.</p> <p>20 A. It is -- it was and is my</p> <p>21 understanding that there were numerous steps</p> <p>22 that had to occur both under the terms of the</p> <p>23 governing agreement and in light of the pending</p> <p>24 Chapter 11 before any obligation that LBHI</p> <p>25 might have with respect to a new lease would be</p> <p>Page 176</p>

<p>1 KRASNOW</p> <p>2 crystallized.</p> <p>3 Basically, under the agreement,</p> <p>4 Canary Wharf had to, in the first instance,</p> <p>5 put, if you will, the lease by giving a notice</p> <p>6 to that effect to LBHI.</p> <p>7 In order to be able to do that, in</p> <p>8 light of the Chapter 11, Canary Wharf would</p> <p>9 have had to have taken certain steps in</p> <p>10 connection with the Chapter 11 proceeding</p> <p>11 before the bankruptcy court.</p> <p>12 MO MR. TULCHIN: Move to strike. I'm</p> <p>13 sorry.</p> <p>14 A. Only after all of those steps</p> <p>15 occurred, would there arguably be an obligation</p> <p>16 on LBHI's behalf to consider whether or not it,</p> <p>17 in fact, was going to take a lease.</p> <p>18 MO MR. TULCHIN: I move to strike the</p> <p>19 answer as expressing a legal opinion and</p> <p>20 particularly in view of some of the</p> <p>21 objections and instructions earlier in the</p> <p>22 deposition where questions of mine</p> <p>23 supposedly called for legal opinions.</p> <p>24 Q. Okay. What, if any, notice under</p> <p>25 Schedule 4 of the lease has ever been served on</p> <p>Page 177</p>	<p>1 KRASNOW</p> <p>2 saying that they would not provide us with a</p> <p>3 copy of even drafts of the lease until we made</p> <p>4 some sort of commitment, we were frustrated</p> <p>5 because, as we had advised them, we needed to</p> <p>6 undertake our due diligence with respect to the</p> <p>7 proposed settlement in order to make a</p> <p>8 determination whether or not to proceed with</p> <p>9 any such settlement.</p> <p>10 And so it was almost as if they were</p> <p>11 trying to leverage the situation where -- and</p> <p>12 frustrating our ability to pursue our fiduciary</p> <p>13 duties, and for that matter, the committee's as</p> <p>14 well.</p> <p>15 Secondly, we found it a little</p> <p>16 bewildering because the reasons they gave us</p> <p>17 for wanting this, we just didn't quite</p> <p>18 understand the reasons that I previously</p> <p>19 testified to in terms of LBHI exercising some</p> <p>20 right to take a lease after the JPM Chase deal</p> <p>21 had closed.</p> <p>22 Lastly, and one might say firstly,</p> <p>23 we didn't understand that LBHI had a right to</p> <p>24 demand a lease. It didn't have an obligation,</p> <p>25 as we understood it, to even consider the issue</p> <p>Page 179</p>
<p>1 KRASNOW</p> <p>2 LBHI, to your knowledge?</p> <p>3 MR. TULCHIN: Object, calls for a</p> <p>4 legal conclusion.</p> <p>5 A. I'm not aware of any notice that was</p> <p>6 sent or purported to be sent by Canary Wharf</p> <p>7 seeking to put the lease, if you will, to LBHI.</p> <p>8 Q. All right. And putting aside</p> <p>9 whether any steps were required to be taken by</p> <p>10 Canary Wharf in the United States Bankruptcy</p> <p>11 Court, in order to legally serve a notice under</p> <p>12 Section 4 of the lease, are you aware of Canary</p> <p>13 Wharf actually having -- having taken any steps</p> <p>14 before the Bankruptcy Court seeking the ability</p> <p>15 to serve a notice under Schedule 4 of the</p> <p>16 lease?</p> <p>17 MR. TULCHIN: Same objection, and</p> <p>18 also on the ground that it's leading.</p> <p>19 A. No steps were taken.</p> <p>20 Q. In view of your -- what was your</p> <p>21 reaction, if any, to the repeated requests that</p> <p>22 you advise whether LBHI had any desire to take</p> <p>23 up a new lease?</p> <p>24 A. A number of reactions. First, is</p> <p>25 they were frustrating -- inasmuch as they were</p> <p>Page 178</p>	<p>1 KRASNOW</p> <p>2 unless and until Canary Wharf sent the</p> <p>3 requisite notice to LBHI, which it never did.</p> <p>4 So it seemed to be a very</p> <p>5 hypothetical speculative issue, which, in part,</p> <p>6 was dependent upon whether or not Canary Wharf</p> <p>7 was prepared to send a notice. So it was</p> <p>8 bizarre, confusing and very frustrating.</p> <p>9 MO MR. TULCHIN: Move to strike on all</p> <p>10 the same grounds previously.</p> <p>11 Q. Would you turn to Krasnow 75? Do</p> <p>12 you have that in front of you? I think it's</p> <p>13 right here.</p> <p>14 A. Yes.</p> <p>15 Q. And you were questioned by</p> <p>16 Mr. Tulchin about this document, and I think</p> <p>17 one of the questions he asked you was whether</p> <p>18 you chose your words carefully.</p> <p>19 Do you recall that?</p> <p>20 A. Yes.</p> <p>21 Q. And what was your answer to that</p> <p>22 question?</p> <p>23 A. My answer was yes.</p> <p>24 Q. And what is it about Krasnow 75,</p> <p>25 particularly the e-mail at the top of the first</p> <p>Page 180</p>

<p>1 KRASNOW</p> <p>2 page, that leads you to testify that you chose</p> <p>3 your words carefully?</p> <p>4 MR. TULCHIN: Objection, leading.</p> <p>5 A. We were very careful to phrase the</p> <p>6 e-mail in the manner in which we did, which, in</p> <p>7 particular, if I can just use the words that</p> <p>8 are here, it says, "LBHI would not elect to</p> <p>9 enter into a lease." That's conditional.</p> <p>10 We used those words because various</p> <p>11 conditions had to be satisfied before the</p> <p>12 question would really be put to LBHI, and those</p> <p>13 are the ones which I alluded to before.</p> <p>14 In putting aside bankruptcy</p> <p>15 considerations, our understanding was that they</p> <p>16 had to give the requisite notice. So first,</p> <p>17 Canary Wharf had to determine whether or not it</p> <p>18 was going to give the notice and then give the</p> <p>19 notice.</p> <p>20 There were certain other steps we</p> <p>21 thought they needed to take in light of the</p> <p>22 pending Chapter 11, but just the governing</p> <p>23 documents themselves, required those steps to</p> <p>24 be taken.</p> <p>25 Q. To what extent, if at all, was LBHI,</p> <p>Page 181</p>	<p>1 KRASNOW</p> <p>2 transactional documents.</p> <p>3 Q. Okay. Would you turn to Krasnow 73?</p> <p>4 A. I have it.</p> <p>5 Q. If you look at the second paragraph</p> <p>6 of Mr. Dietderich's e-mail to you and Mr. Jones</p> <p>7 of December 7, Mr. Tulchin drew your attention</p> <p>8 to the sentence that reads, "The settlement</p> <p>9 agreement," which refers to the attachment</p> <p>10 dated December 3, 2010, between Canary Wharf</p> <p>11 and LBL, "The settlement agreement involves a</p> <p>12 voluntary extinguishment of the LBL's further</p> <p>13 obligations in return for possession of the</p> <p>14 building and the preservation of and smaller</p> <p>15 unsecured claim (see end of paragraph four)."</p> <p>16 By smaller unsecured claim, do you</p> <p>17 understand that to mean less than the</p> <p>18 [REDACTED] that had been part of the draft</p> <p>19 stipulations?</p> <p>20 A. Yes.</p> <p>21 Q. And what, if any -- what, if any,</p> <p>22 consideration did you and LBHI give to the --</p> <p>23 to this disclosure?</p> <p>24 A. At the time that we received this,</p> <p>25 it was in the letter and it was subject to</p> <p>Page 183</p>
<p>1 KRASNOW</p> <p>2 through this e-mail, waiving any of the steps</p> <p>3 that you have just outlined?</p> <p>4 MR. TULCHIN: Object to the</p> <p>5 question, calls for a legal conclusion.</p> <p>6 It's also argumentative and leading.</p> <p>7 MR. ISAKOFF: All right. I will</p> <p>8 change the question.</p> <p>9 Q. To what extent was it LBHI's</p> <p>10 intention, by this e-mail, to be waiving any of</p> <p>11 the steps you have just described?</p> <p>12 MR. TULCHIN: Same objections.</p> <p>13 A. They were not intending to waive</p> <p>14 anything. As I noted, the word "would," as I</p> <p>15 understand it, is conditional, and it</p> <p>16 presupposed that all of the steps that Canary</p> <p>17 Wharf would have been required to take would be</p> <p>18 taken.</p> <p>19 Q. In light of your testimony that --</p> <p>20 that you have just given, what reason, if any,</p> <p>21 did you have for sending this e-mail?</p> <p>22 A. We wanted the documents.</p> <p>23 Q. I would like to turn your</p> <p>24 attention -- referring to what documents?</p> <p>25 A. We wanted the JPM/Canary Wharf</p> <p>Page 182</p>	<p>1 KRASNOW</p> <p>2 further review. It was a factor that was taken</p> <p>3 into account in the context of the</p> <p>4 determination that ultimately was made not to</p> <p>5 proceed with the settlement, but it was a -- I</p> <p>6 shouldn't use the word "but".</p> <p>7 It was a factor in the context of</p> <p>8 the totality of factors that related to, among</p> <p>9 other things, the forbearance agreement itself,</p> <p>10 not simply the fact that this would result in</p> <p>11 them being unable to make the representation</p> <p>12 that was called for in the stipulation, but it</p> <p>13 was a factor.</p> <p>14 Q. Okay. I would like to show you --</p> <p>15 do you have Exhibit 18 there? It's the big fat</p> <p>16 one that's got some redactions in it of the</p> <p>17 final agreement. Yeah?</p> <p>18 A. Yes, I have it in front of me.</p> <p>19 Q. And Mr. Tulchin drew your attention</p> <p>20 to pages 24 and 28 as containing redactions of</p> <p>21 various provisions, correct?</p> <p>22 A. Yes.</p> <p>23 Q. I would like to draw your</p> <p>24 attention --</p> <p>25 A. Excuse me, I think it was through</p> <p>Page 184</p>

<p>1 KRASNOW</p> <p>2 27.</p> <p>3 Q. Through 27, excuse me.</p> <p>4 I would like to -- do you see also</p> <p>5 that on page 35 of this document, bearing Bates</p> <p>6 number LBHI_CW13678, that there is yet another</p> <p>7 redaction that Mr. Tulchin did not mention?</p> <p>8 A. Yes, I see that on page 35 and on</p> <p>9 page 36.</p> <p>10 Q. Okay. Let's look at Exhibit 15. I</p> <p>11 don't believe you were shown the unredacted</p> <p>12 version today. Exhibit 15, for the record is</p> <p>13 Bates stamped CW5282 through 5400.</p> <p>14 And first of all, if you will turn</p> <p>15 to page -- pages 24 to 27, do you see that this</p> <p>16 is the unredacted versions in which -- version</p> <p>17 in which all of the provisions of 7.16 are</p> <p>18 here?</p> <p>19 A. Yes.</p> <p>20 Q. Okay. And if you will turn to page</p> <p>21 35 and 36, do you see that here is, in the</p> <p>22 unredacted version, is a [REDACTED]</p> <p>23 [REDACTED]</p> <p>24 [REDACTED]</p> <p>25 [REDACTED]</p> <p>Page 185</p>	<p>1 KRASNOW</p> <p>2 regarding [REDACTED]</p> <p>3 [REDACTED]</p> <p>4 Q. Page 35.</p> <p>5 A. Page 35? Thank you. That seems to</p> <p>6 be a factual point, and so that, in my mind,</p> <p>7 doesn't comport with the representation that</p> <p>8 Mr. Dietderich made.</p> <p>9 MO MR. TULCHIN: Move to strike.</p> <p>10 MR. ISAKOFF: No further questions.</p> <p>11 FURTHER EXAMINATION</p> <p>12 BY MR. TULCHIN:</p> <p>13 Q. Mr. Krasnow, you had an opportunity,</p> <p>14 during the break that commenced at about 2:09,</p> <p>15 to discuss with Mr. Isakoff the testimony that</p> <p>16 you were going to give on cross; is that right?</p> <p>17 MR. ISAKOFF: You can answer that</p> <p>18 yes or no.</p> <p>19 A. Yes.</p> <p>20 Q. Now, during that break or subsequent</p> <p>21 to it, have you come to the conclusion that</p> <p>22 anything you said on direct examination today</p> <p>23 was misleading or incomplete or inaccurate?</p> <p>24 MR. ISAKOFF: Object to form, vague</p> <p>25 and compound.</p> <p>Page 187</p>
<p>1 KRASNOW</p> <p>2 Do you see that?</p> <p>3 A. Yes, I do.</p> <p>4 Q. Is it fair to say that at no time up</p> <p>5 until 2013 were these provisions available to</p> <p>6 LBHI or Weil Gotshal?</p> <p>7 A. That's my understanding, yes.</p> <p>8 Q. If you will turn to Exhibit 17,</p> <p>9 which is the cover letter, Mr. Dietderich, in</p> <p>10 sending you the materials which included</p> <p>11 Exhibit 18 in the next to last paragraph,</p> <p>12 states at the end, "Additionally, certain</p> <p>13 portions of the enclosed documents have been</p> <p>14 redacted to prevent disclosure of privileged</p> <p>15 legal advice in which the parties share a</p> <p>16 common legal interest."</p> <p>17 Do you see that?</p> <p>18 A. Yes.</p> <p>19 Q. Does that make any sense to you at</p> <p>20 all?</p> <p>21 MR. TULCHIN: Objection, calls for a</p> <p>22 legal conclusion. Also argumentative and</p> <p>23 leading.</p> <p>24 A. As it relates certainly to the</p> <p>25 section of the agreement in Exhibit 15</p> <p>Page 186</p>	<p>1 KRASNOW</p> <p>2 A. There are -- there are three or four</p> <p>3 things you have asked.</p> <p>4 Q. All right. Let's take them one at a</p> <p>5 time, if it's hard.</p> <p>6 Sitting here right now at about</p> <p>7 2:50 p.m., do you believe that any of the</p> <p>8 testimony you gave on cross -- on direct</p> <p>9 examination today was misleading?</p> <p>10 A. No.</p> <p>11 Q. Was any of it false?</p> <p>12 A. No.</p> <p>13 Q. Was any of it inaccurate?</p> <p>14 A. I don't believe so.</p> <p>15 Q. As best you know it, did you get any</p> <p>16 of the facts wrong?</p> <p>17 A. As best I know, to my best</p> <p>18 recollection, no.</p> <p>19 Q. On cross, you were shown Exhibit 75,</p> <p>20 and I just have a question or two about this.</p> <p>21 A. I have it.</p> <p>22 Q. Your e-mail at the top of the first</p> <p>23 page of Exhibit 75 responds to the e-mail just</p> <p>24 below it, correct, Mr. Dietderich's e-mail to</p> <p>25 you of December 9 at 10:32 a.m.?</p> <p>Page 188</p>